



General Policies and Procedures

Extraordinary Special Education Need Funds

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Section 1: General

What is the Extraordinary Special Education Needs (ESEN) fund?

The legislature established the fund through A.R.S. § 15-774 to award funds through claims for school districts and charter schools who have special education students that provide an excessive financial burden upon their entity.

How much funding has been appropriated to the ESEN fund?

The Joint Legislative Budgeting Committee has designated five million dollars for fiscal year 2022 for the fund. The department may use two percent (approximately \$100,000) of the five million dollars on the administration of the fund. Monies in the fund are continuously appropriated and are exempt from lapsing in appropriations.

Which entities are eligible for the fund?

The statute specifically only outlines school districts and charter schools (A.R.S. § 15-101) for the fund currently.

How does a school district or charter school apply for the funds?

School districts or charter schools submit claims through the Extraordinary Special Education Needs application that resides within the Exceptional Student Services (ESS) Portal within ADEConnect.

What are the primary components of determining eligibility for a student to be funded through ESEN funding?

A.R.S. § 15-774(C) outlines criteria for ESS to fund a student through the ESEN fund:

- Student receiving special education services has incurred costs in the current year of at least the statewide per pupil funding average multiplied by three.
- Demonstrate extraordinary needs, including describing and documenting student services required and showing that the district or charter school is not able to absorb the costs of these services.
- Demonstrate total costs incurred in the current year by the student for whom the school district or charter school is applying.
- Evidence that before applying for monies from the fund the school district or charter school made sufficient efforts to seek but has not received funding to cover the costs of extraordinary needs applied for... including federal and other state sources of funding.

These items are validating during the claim submission process by reviewing student data along with information submitted by the School District or Charter School through their Individuals with Disabilities Act (IDEA) Entitlement Grant.

What is the minimum cost a School District or Charter School must exceed for a student receiving special education services for an ESEN claim?

The National Center for Education Statistics Statewide calculates per-pupil funding information through the School District Finance Survey within the Common Core of Data (<https://nces.ed.gov/ccd/files.asp>).



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As of July 2021, report for school year 2018 – 2019, the per pupil funding for Arizona was \$9,098. This means that in fiscal year 2023 the minimum threshold will be \$27,294 ($\$9,098 \times 3$). For fiscal year 2022, the threshold used the School District Finance Survey for school year 2017 – 2018 and set a threshold of \$25,602 ($\$8,534 \times 3$).

Section 2: Processing

Who processes the claims for ESEN fund?

Exceptional Student Services is responsible for processing claims from the ESEN fund. ESS processes claims using a similar platform as the High-Cost fund that is a similar fund but implemented using IDEA funds.

When is a claim for ESEN considered approved?

ESS considers a claim as approved when the following ESS team members have processed it:

1. ESS Program Management Specialist
2. ESS Operations Director
3. ESS Deputy Associate Superintendent

When is payment made to the school district or charter school?

During quarters when the fund is not at risk of being depleted, ESS may push funds as quick as twice a month. ESS will push funds monthly during normal operating times. If the fund is at risk of being depleted the final payments will not be made until the quarter is over.

What does the state require to be reported on the ESEN fund?

By December 15 of each fiscal year, the state requires the department to report on the following information:

1. The number of extraordinary special education needs claims that were funded in the previous year.
2. How school districts and charter schools used claim monies.
3. The total number of claims received in the previous year.

ESS requires that claims have a categorization of expenditures through the cost summary template to assist in compiling this information.

Section 3: Application

What components does ESS require for claims submitted through the application?

ESS requires the following information for a school District or charter School to submit a claim for reimbursement:

- State Student ID
- The current Individualized Education Program (IEP)
- Cost Summary Template which breaks down expense types
- Invoices or accounting documentation matching costs for the ESEN claim summary template



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- Narrative on PEA letterhead describing the burden of the student’s excess cost to the school district or charter school and what funds have already the school district or charter school has accessed to pay for a portion of the student’s costs

When are claims reviewed and processed?

ESS reviews claims quarterly and tries to process them within approximately two weeks for corrections due to insufficient information.

What does the review process look for?

ESS summarizes the review process within the following chart:

Review Rubric		
Primary Reviewers: ESS Program Management Staff		
Secondary Reviewers: ESS Operations Director and ESS Deputy Associate Superintendent		
Eligibility	Documentation	Content
<ul style="list-style-type: none"> • SSID validated in AzEDS • Provide document attachments • Request within the dollar caps for the school district or charter school 	<ul style="list-style-type: none"> • Current IEP • Accurate invoices or journals for claim period (summary invoices preferred) 	<ul style="list-style-type: none"> • School districts or charter schools must submit a narrative to describe the justification of excess costs • Claimed costs meet general allowability rules for IDEA Consolidated – Entitlement Grant (special education driven)

Can cost calculations for a student be apportioned for portions of the school year?

A student can have their cost apportioned within the school year using calculations structured around the school year calendar. For example, if the threshold was for an annual cost to exceed \$25,602 a year, then the claim would have to reflect that the cost per day for a student was exceeding \$142.23 for a school that operates on a 180-day calendar. The school district or charter school should clearly indicate this in their claim of submission and indicate the type of calendar calculation they are using.

If the funding is depleted in any given year, how are the remaining claims funded?

In cases where the funding source is depleted, the remaining applications within a quarter will be funded by the difference in the claim amount submitted by the school district or charter school and the total funding the school district or charter school has received for that student. ESS will not consider School districts or charter schools that did not make sufficient efforts to seek additional funding sources in the final calculations during this process.



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How do I get access to submit a claim for the ESEN fund?

ADEConnect administrators can assign these permissions with associated the following permissions to the user:

- ESS ESEN :: PEA User

ESS will update this permission name in fiscal year 2023 to clean up naming conventions.

Section 4: Miscellaneous

Does applying for ESEN affect Maintenance of Effort within the IDEA?

ESS considers the funds from ESEN as state funds for special education students. As such, ESS calculates as funds spent when determining whether the school district or charter school maintained fiscal effort.

Will more formal information come out in the future?

Since the ESEN fund just started, ESS is continually revising its policies and procedures. As such as ESS processes claims throughout the quarter, more formalized documentation will come out. ESS expects to have further documentation formalized by August of 2022.